

#### **BEFORE**

# THE PUBLIC SERVICE COMMISSION OF SC PUBLIC SERVICE COMMISSION

#### **DOCKET NO. 2012-94-S**

IN RE:

	Recla for a for, a	lication of Palmetto Wastewater amation LLC d/b/a Alpine Utilities djustment of rates and charges and modification to certain terms conditions related to rovision of sewer service.  DIRECT TESTIMONY OF FRED (RICK) W. MELCHER III
1	Q.	PLEASE STATE YOUR NAME, PRESENT POSITION AND BUSINESS
2		ADDRESS.
3	A.	My name is Fred (Rick) W. Melcher III and I am employed as Manager of Public
4		Relations for Ni America Operating, LLC. My business address is 10913 Metronome
5		Drive, Houston, Texas 77043.
6		
7	Q.	WHAT IS NI AMERICA OPERATING, LLC?
8	A.	Ni America Operating, LLC (Ni America) is owned by Ni America Capital
9		Management, LLC, which owns Ni South Carolina Utilities LLC, the sole member of
10		Palmetto Wastewater Reclamation LLC, doing business as Alpine Utilities, the
11		Applicant in this proceeding.

#### Q. WHAT ARE YOUR DUTIES IN YOUR CURRENT POSITION?

As Manager of Public Relations for Ni America, it is my responsibility to serve as the liaison between all of our operating subsidiaries and regulators, our customers, other governmental agencies, the media and the general public. In that capacity, my duties include coordinating meetings between operating subsidiary personnel and regulators, customers, and the media, attending state commission meetings on behalf of our utilities when appropriate, and testifying in state commission hearings when necessary. I coordinate any requested presentations by our operating subsidiaries at these meetings. I also monitor matters before state agencies and legislatures as they relate to our operating subsidiaries.

A.

A.

### Q. WHAT IS YOUR EDUCATIONAL AND PROFESSIONAL

#### BACKGROUND?

I am a I980 graduate of Texas A&M University with a Bachelor of Business degree. I was first employed in the regulated industry field in 1978 by Southwestern Bell Telephone Company and trained to manage personnel working with customers in the Business Office and in AT&T Phone Center Stores. From 1997 to 2002 I was Manager of Public Relations for AquaSource Utility Company, a provider of water and wastewater services. I have been Public Relations Manager for Ni America since its inception in 2007.

A.

#### Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS DOCKET?

The purpose of my testimony is to support the application of Palmetto Wastewater

Reclamation LLC doing business as Alpine Utilities, which I will refer to in my

testimony as "Palmetto Wastewater," "PWR" or the "Company." By its application, the Company seeks an increase in its sewer rates and modifications to certain terms and conditions of its sewer rate schedule. Specifically, I will be discussing the Company's efforts to educate customers about the rate relief proceedings in general, its specific need for the rate relief sought in this case, the repairs and improvements it has made, including those required to meet environmental regulatory standards, the need to eliminate the introduction of fats, oils, and grease into the Company's system, and the Company's efforts to comply with Appendix A to South Carolina Department of Health and Environmental Control, or "DHEC," Regulation 61-67 establishing contributory waste loading guidelines using hydraulic flow to determine customer equivalencies. I will also describe the Company's commitment to customer service and the customer service programs we have undertaken.

Q.

A.

# WHAT IS PALMETTO WASTEWATER'S PHILOSOPHY WITH RESPECT TO COMMUNICATIONS?

We believe that well-informed customers and regulators best serve the interests of all stakeholders. Sewer utilities and their customers face increasing capital and operational costs to address higher levels of environmental regulation and the fact of aging infrastructure. It serves the interests of everyone with a stake in sewer utility operations to communicate regularly, openly and frankly.

Q. WHY WOULD PALMETTO WASTEWATER NEED TO MAKE AN EFFORT TO EDUCATE CUSTOMERS ABOUT RATE RELIEF PROCEEDINGS IN GENERAL?

It has been four years since an application for rate relief for the Alpine system has been filed. We believe that it is important that customers be provided information with respect to how a sewer utility rate relief proceeding works, why it is needed from time to time, what occurs in a typical proceeding, and how customers may participate. In our experience, we find that the greatest number of customer inquiries and complaints in the ratemaking proceeding result from a lack of understanding about regulated utilities and the role of regulatory agencies. In addition, we think that having a customer base that is educated with respect to the workings of a specific rate relief proceeding lends itself to more meaningful participation by customers in the process when they do choose to participate.

Q.

A.

A.

## WHAT EFFORTS HAS PALMETTO WASTEWATER MADE TO EDUCATE CUSTOMERS ABOUT RATE RELIEF PROCEEDINGS IN GENERAL?

During our first year of ownership of the Alpine system, the Company held a series of three "Town Hall" meetings and following our application for rate relief a fourth meeting was held to address the specific needs for a rate increase. To further insure that customers were aware of the meetings, separate mailings of notification were made and press releases were issued to *The State* newspaper. Copies of the customer notices and press release are attached to my testimony as Exhibits RM-1 and RM-2. The subject matter covered in our presentations at these Town Hall meetings went beyond information concerning rate relief proceedings in general. The presentations included an introduction to the Company, a description of the Commission, the Office of Regulatory Staff, and DHEC and their respective functions and contact information where appropriate, the improvements needed for the utility to meet regulatory

requirements, and the status of these improvements. A copy of the slides shown to customers in our presentations is attached as Exhibit RM-3. Representatives of both the Office of Regulatory Staff and DHEC were invited to attend these meetings and were present.

A.

## Q. HOW HAS PALMETTO WASTEWATER GONE ABOUT INFORMING CUSTOMERS OF THE SPECIFICS OF THIS CASE?

The presentation made at our Town Hall meetings discussed the numerous sanitary sewer overflows, or "SSOs", in the Alpine system prior to its acquisition by our Company, the 50% reduction in SSOs during our first year of ownership, the need for and status of improvements and repairs made to the system to reduce SSOs and limit inflow and infiltration, or "I&I", the need for and implementation of improved and more frequent operational and maintenance procedures, and the resulting need for rate relief. Customers were informed of their rights in the rate process and provided contact numbers for both the Company and ORS to address questions or comments about the proceeding and the means by which they could comment to the Commission. The presentation made at customer meetings has also been made available to all of our customers on the Company website.

A.

## Q. HAS THE COMPANY BEEN REQUIRED TO MAKE IMPROVEMENTS TO THE ALPINE SYSTEM SINCE IT ACQUIRED IT?

Yes. In connection with the transfer of the National Pollutant Discharge Elimination System, or "NPDES", permit for the Alpine system from the prior owner to the Company, we were required to commit to making certain repairs or improvements to the Alpine system. Additionally, each category of repairs or improvements was subject to a compliance schedule setting forth deadlines for their completion. A copy of this Memorandum of Understanding is attached to my testimony as Exhibit RM-4. The compliance schedule in the Memorandum of Understanding is significant in the Company's determination of the priority given to the contemplated repairs and improvements. A description and photographs of these improvements and repairs were included in the presentation made at the Townhall Meetings as shown in RM Exhibit 3.

A.

# Q. YOU MENTIONED A NEED TO EDUCATE CUSTOMERS ON THE ISSUE OF FATS, OIL AND GREASE; WOULD YOU PLEASE ELABORATE ON THAT?

Yes. The introduction of fats, oil and grease, or "FOG", into sewer systems is not only a leading cause of SSOs in the Alpine system, but according to the United States Environmental Protection Agency, grease contributes to approximately one-quarter of the SSOs in sewer systems across America. Support for this statement is found at <a href="http://www.pprc.org/BrownGreaseSymposium/docs/FOG">http://www.pprc.org/BrownGreaseSymposium/docs/FOG</a> ("Collaborating to Keep the Pipes Clear"). It is a fact that grease, cooking oils, and fat that make their way into the Company's facilities become extremely problematic and are costly to remove. Grease causes blockages within the collection system, damages lift stations, and directly results in SSOs. Grease also damages wastewater treatment plant equipment, which results in a less efficient treatment process. The labor intensive process of removing grease and the cleanup and treatment of SSOs caused by grease results in unnecessarily increased costs, which are ultimately passed on to our customers. Therefore, we feel the more educated our customers become about how PWR's wastewater collection and treatment systems work, the better the facilities will operate and the less these grease

problems will cause increased costs that create upward pressure on rates. Therefore, our customer presentations include discussions and photographs of grease that causes SSOs and must be removed from the collection system. These can be seen in RM – Exhibit 3, pages 28-34.

A.

# Q. IS THE INTRODUCTION OF GREASE INTO THE ALPINE SYSTEM CONTRARY TO ANY REGULATORY STANDARDS OF WHICH YOU ARE AWARE?

It is the Company's understanding and view that grease is a pollutant under federal law, specifically EPA Regulation appearing in Part 40 of the Code of Federal Regulations at sections 129.4 and 401.15. The Company is also of the belief and opinion that the unpermitted discharge of pollutants into the environment is contrary to the South Carolina Pollution Control Act, Section 48-1-90. And, we also understand that Commission regulation 103-535, subsections B, E, and N permit the Company to terminate service where these pollutants are introduced into our system.

Q.

A.

# IF THE INTRODUCTION OF FOG IS A VIOLATION OF REGULATORY STANDARDS AS YOU HAVE DESCRIBED, WHY IS IT NECESSARY TO INCLUDE RATE SCHEDULE LANGUAGE PROHIBITING THE PRACTICE?

The Company believes it is proper and prudent to provide customers with as much notice as possible that the introduction of pollutants such as grease into our system is not permitted. Customers typically understand that it could be harmful to introduce into the wastewater system but few realize it is actually contrary to both Federal and State regulations and can lead to termination of service. And, making customers aware

of the implications of introduction of FOG into our system is certainly consistent with our policy of educating our customers on matters that have the potential to affect them and our system.

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## Q. HAS THE COMPANY TAKEN ACTIONS TO PREVENT THE DISCHARGE OF GREASEINTO THE ALPINE SYSTEM?

Yes, we have. Palmetto Wastewater employs the same Interceptor Standards that have been implemented successfully by its sister subsidiary, Palmetto Utilities, Inc., or "PUI." These standards, a copy of which is attached to my testimony as Exhibit RM-5, were developed in coordination with and the approval of DHEC. Shortly after the Commission approved our acquisition of the Alpine system, the Company began communicating the substance of the Interceptor Standards to restaurants and other food service establishments in our service territory, conducted inspections of their facilities to determine whether grease traps were present and serving the facilities and their condition, required customers or owners of the facilities to install grease traps or make improvements to them as appropriate, and monitored grease trap cleanouts to insure overall compliance with the Interceptor Standards. It should be noted that during the first year after the Interceptor Standards were implemented, twenty- nine restaurants in the Alpine service area either installed, or made improvements to, their grease traps in order to comply with Interceptor Standards. Enforcement of the Interceptor Standards was coordinated with and approved by DHEC. A copy of our Interceptor Standards Compliance Letter to customers is attached as Exhibit RM–6.

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# Q. WHAT HAS THE COMPANY DONE TO KEEP REGULATORS APPRISED OF ONGOING ISSUES WITH THE PALMETTO WASTEWATER ALPINE SYSTEM?

Consistent with our philosophy of coordinating with state regulatory agencies to the extent possible, we have met on numerous occasions with DHEC and ORS to discuss environmental regulations, customer education and compliance issues. We attended the Utility Workshop held at the Commission on December 6, 2011, and also made an allowable ex parte briefing to the Commission on January 18, 2012. In that briefing, we provided the Commission with a copy of one of our customer Town Hall presentations. As noted above, both ORS and DHEC have been invited to attend, and have sent representatives to, each of our customer Town Hall meetings.

A.

A.

## Q. WHAT CHANGES TO THE RATE SCHEDULE BILLING PROVISIONS ARE PROPOSED BY PWR?

There are a number of proposed charges that are either established by PSC regulations or are consistent with provisions of the PUI rate schedule which have been approved by the Commission. These charges include a disconnect notice fee, customer account service charge, late payment charge, and a reconnection charge. We have also added language to address multi-dwelling billing consistent with the PUI rate schedule language which reflects State law. There is also included language to conform the rate schedule to Appendix A to DHEC Regulation 61-67, which establishes contributory waste loading guidelines using hydraulic flow as opposed to biochemical oxygen demand ("BOD") that is the basis of the Company's current rate schedule. As the Commission is aware, many of the sewer utilities regulated by it, including PUI, are authorized to use

Appendix "A" to Regulation 61-67 to set flow equivalencies for commercial customer accounts based upon the flow of an average residential customer. We call this equivalency an "Equivalent Residential Customer" or an "ERC." In order to make the conversion from BOD to hydraulic flow and to reflect rates based upon this conversion, it was necessary to identify and inspect all Alpine commercial customer premises. I supervised the Company's effort in this regard, which required a physical inspection to determine the correct count of loading factors for each type of commercial customer as provided for in Appendix A of DHEC Regulation 61-67. An outside professional consultant, Marion Sadler, was retained to manage this effort for the Company. Mr. Sadler is a former DHEC employee, with nearly thirty-five (35) years of regulatory experience at DHEC and was involved with the application flow equivalencies under both the old State Pollution Control Authority regulation which employed BOD to establish loading guidelines and the current DHEC Regulation 61-67 which employs hydraulic flow. This project will be discussed in greater detail by Mr. Sadler in his testimony.

A.

# Q. YOU MENTIONED THE COMPANY'S COMMITMENT TO CUSTOMER SERVICE AND ITS CUSTOMER SERVICE PROGRAM; WOULD YOU PLEASE ELABORATE ON THIS STATEMENT?

Yes. Our customer service program is the lynchpin of what we do. In May of this year, we opened a new customer service office at 1713 Woodcreek Farms Road to accommodate our expanding customer base, which includes the PWR customers served by the Alpine system. There, three full-time and one part-time experienced and well-trained customer service representatives receive customer inquiries in person or by way of customer telephone calls. We maintain a computerized service order program and an

after-hours emergency answering service, which immediately contacts our field personnel in the event of a back-up, SSO, or other event requiring immediate attention. We have recently invested in a state-of-the-art telecommunications system which will allow us to significantly improve our customer service capabilities by automatically tracking and categorizing all customer calls. The information generated by our new telecommunications system will also provide the Company with the ability to monitor, recognize and plan for trends in customer needs and service issues. The data generated will also enable the Company to prepare for potential seasonal problems such as I&I events during wet weather which are to be anticipated as we complete the task of rehabilitating the Alpine collection system. Recently, we entered into an agreement with a third party vendor to allow all of our customers the option to pay their bills either online or through direct ACH payments from their bank. There is no charge to the customer from the Company for this service, which provides a convenience that we have had many customers request be made available. This service also offers customers the option of having electronic, as opposed to paper, statements, issued by the Company. We will, of course, continue to provide paper bills to any customers who desire to have one, including those opting to take advantage of on-line or bank draft payment methods.

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#### Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

20 A. Yes, it does.



#### Palmetto Wastewater Reclamation, LLC

Subject: Change in ownership of the Alpine Wastewater Utility

Dear Alpine Customers:

We are pleased to announce that, as of August 12, 2011, Palmetto Wastewater Reclamation, LLC ("PWR") has acquired the Alpine Wastewater Utility System that serves your home or business. PWR is an affiliate of Palmetto Utilities, Inc., which has a nearly thirty year wastewater service history in northeast Richland County. PWR welcomes you to the growing Palmetto family of wastewater utilities. The quality of service we provide to our customers is always important to us. Equally as important are the environmental concerns and the impact that wastewater overflows can have on area lakes and waterways.

We look forward to serving you as a customer of PWR and will keep you informed as we work to improve the Alpine system and service. You will continue to be charged the currently approved rate for Alpine. Any change in that rate must be approved by the Public Service Commission of South Carolina ("Commission"). You will be given notice of any proceeding which may be filed with the Commission for that purpose.

Please look for upcoming news and information regarding TOWN HALL MEETINGS we will hold to discuss utility improvements and other issues of concern to our customers. Meeting times will be posted on the Palmetto website as details become available.

The Palmetto Wastewater Reclamation, LLC office is located at:
1710 Woodcreek Farms Rd
Elgin, SC 29045
Main: 803-699-2422; Fax: 803-699-2423
Office Hours: 8:30-4:30 Monday-Friday

http://www.palmettoutilities.com

As you may be aware, there have been a number of sanitary sewer overflows (SSOs) in the Alpine wastewater system recently. SSOs in the Alpine system have the potential to affect downstream waterways such as Stoop Creek and the Lower Saluda River. Therefore, our primary concern going forward will be to minimize the number of, and provide better response times, to these SSOs by making needed improvements.

We will be conducting a vigorous capital improvement program designed to improve the overall level of environmental compliance by making repairs to both the collection system and the treatment plant. We expect to begin repairs and improvements immediately and you may notice crews working in your neighborhood. We sincerely hope that these activities will cause you no undue inconvenience. Initial improvements, which have been coordinated with SCDHEC, will include:

Repair and cleanout of the collection system and the clearing of rights-of-way; the inspection of and repair of manholes and lift stations; the renovation of the Alpine wastewater treatment plant, including the installation of an ultraviolet ("UV") disinfection system and an additional clarifier.

Exhibit RM-1 Part 1 Page 2of 2

We thank you in advance for your cooperation during this period of transition. We look forward to meeting with you and hearing your concerns for this wastewater system.

Sincerely,
Palmetto Wastewater Reclamation, LLC



#### Palmetto Wastewater Reclamation, LLC

Subject:

TOWN HALL MEETING
6:30pm – 8:30pm
Tuesday, October 4<sup>th</sup>, 2011
DoubleTree by Hilton
2100 Bush River Road

Dear Alpine and Woodland Customers:

Approximately 30 days ago you received our letter announcing the acquisition of Alpine and Woodland Utilities by Palmetto Wastewater Reclamation, LLC (PWR).

In that letter we briefly addressed a few of the priorities we intend to initially focus our efforts as we go forward. Certainly these priorities include minimizing the number of, and providing better response time, to Sanitary Sewer Overflows (SSOs) by making long-needed improvements to the collection systems and treatment facilities.

While making the needed improvements to the treatment plants and collection systems is critical, PWR is also committed to providing exemplary customer service. Improvements in service, such as on-line bill pay options will be made available soon. We also discussed our intent to hold public meetings where we might get together with our customers to discuss in more detail the issues that are most important to YOU. These meetings will allow you to directly voice any concerns or issues you feel are important, including how the cost of system repairs will affect future wastewater rates.

Please plan to attend our TOWN HALL MEETING to be held at the DoubleTree Hotel on Tuesday evening, October 4<sup>th</sup>, so that your voice may be heard.

PWR appreciates all of our customers and we hope you will find this to be a refreshingly open discussion of how the utility works and how you may be involved.

Sincerely,
Palmetto Wastewater Reclamation, LLC

1710 Woodcreek Farms Rd, Elgin, SC 29045 Main: 803-699-2422; Fax: 803-699-2423 Office Hours: 8:30-4:30 Monday-Friday Press Release
August 9, 2012

#### **Palmetto Wastewater Reclamation – Customer Meeting**

It has been one year since we acquired Alpine and Woodland Utilities in the Irmo-St. Andrews area, and began the longneeded renovation of these wastewater systems.

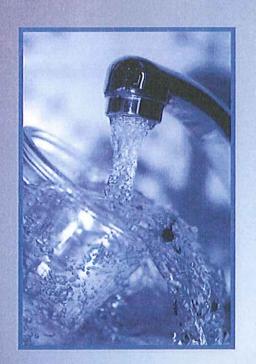
We will be holding another public meeting for our Alpine customers to come together to discuss the improvements made to the system and to the treatment plant, as well as the impact on customers' rates and the future needs of the utility.

Alpine customers, please plan to attend our public meeting to be held at 6:30 p.m., Tuesday August 14<sup>th</sup> at the Double Tree by Hilton, 2100 Bush River Road. We look forward to hearing from you as we work to improve both this system and our customer service and eliminate sewage spills from the area.

Contact: Rick Melcher 979-319-0966

# Alpine Utility Presentation

Palmetto Wastewater Reclamation, LLC



## Ni America, LLC Regulated Water

and Wastewater Utilities

**Emphasizing regulatory compliance** and customer service

Texas - South Carolina - Florida



## **SOUTH CAROLINA**

Palmetto Utilities, Inc. (PUI)
Palmetto Wastewater Reclamation, LLC (PWR)

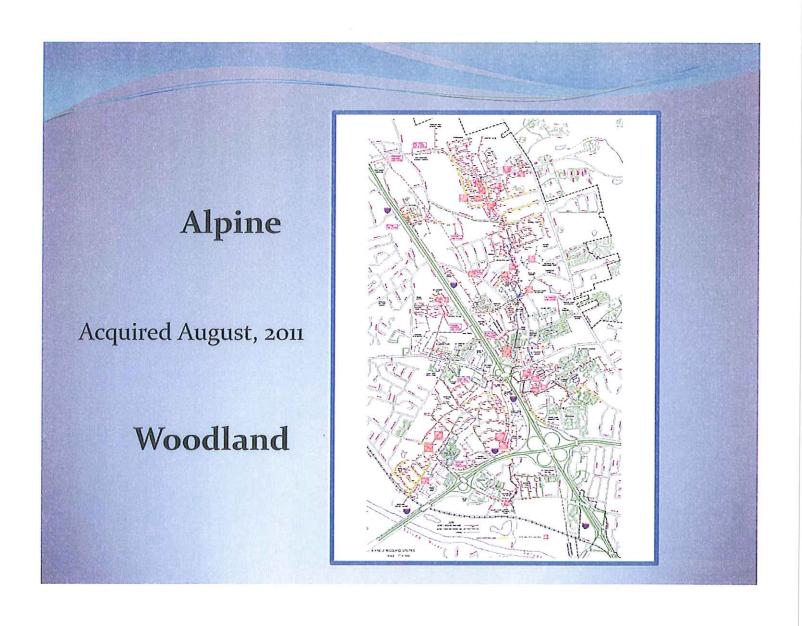
Alpine Utility System
Woodland Utility System

Palmetto Richland County, LLC (PRC)

Pending Approval

803-699-2422 1713 Woodcreek Farms Rd Elgin, SC 29045







South Carolina Office of Regulatory Staff

The Water and Wastewater Department of the ORS represents the public interest with regard to the regulation of rates and services of privately owned water and wastewater utilities in South Carolina.

Consumer Services
Resolve Disputes - Settle Inquiries - Get Educated
803-737-5230
800-922-1531 (toll free)

http://www.regulatorystaff.sc.gov



### PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

#### WHAT IS REGULATED BY THE COMMISSION?

The Commission regulates investor-owned water and wastewater utilities, telephone utilities, electrical utilities, gas utilities, and motor vehicle carriers as defined in Title 58 of the South Carolina Code. The Seven-Member Commission essentially functions as a court with the principal duty to hear cases involving regulated utilities.

- exclusive jurisdiction to establish fair and reasonable rates
- requires regulated utilities to provide adequate service and to treat all customers equitably
- receives formal complaints regarding regulated utilities

803-896-5100

http://www.psc.sc.gov



# South Carolina Department of Health and Environmental Control

We promote and protect the health of the public and the environment.

### Sanitary Sewer Overflows (SSO)

Blockages - Construction Activities - Pipe failures - Pump Failures Grease Accumulation - Root Intrusion - Poor Maintenance Inflow & Infiltration

803-898-4300

http://www.scdhec.gov



# Alpine Utility 29 miles of pipe

Gravity Pipe 144,000' Force Main 8,000' Manholes 616

Lift Stations 8

WW Treatment 2 MGD

### 2011 Rates

## **Customers**

Alpine \$16.75 1300 (300 commercial)

Woodland \$24.00 420 (3 commercial)

# Customer Service/Operational Improvements

- Commitment to the Utility
- Online account access and bill pay (summer 2012)
- Customer Communications
- Faster Response to Service Calls
- 24-Hour Response to Emergency Calls
- Enhanced SSO Notification Procedures
   (email list includes area media outlets and other interested parties)

## **Required System Improvements**

- Video, clean, repair collection system(5)
- Install "Auto-Dialer" alarm/monitors
- Clear easements/rights of way(5)
- Inspect, repair all manholes(3)
- Grease Trap Program (new installation and inspections)
- Utility Management Expertise

### WWTP (18 months)

- Second clarifier
- Install new bar screen, grit collector, floating aeration system
- Extend plant walls
- Replace chlorine disinfection system with UV
- Woodland Upgrade berm, additional aeration

### **Improvement Status**

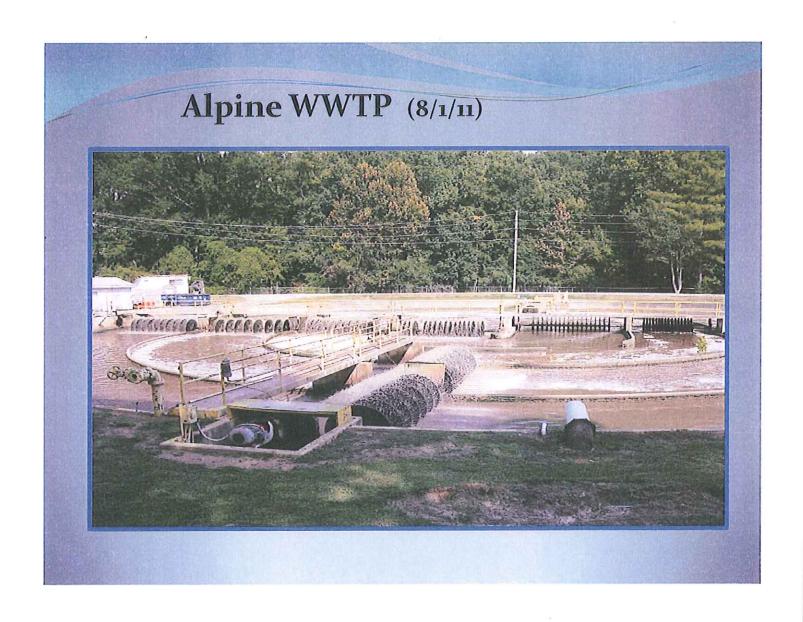
1/1/2012

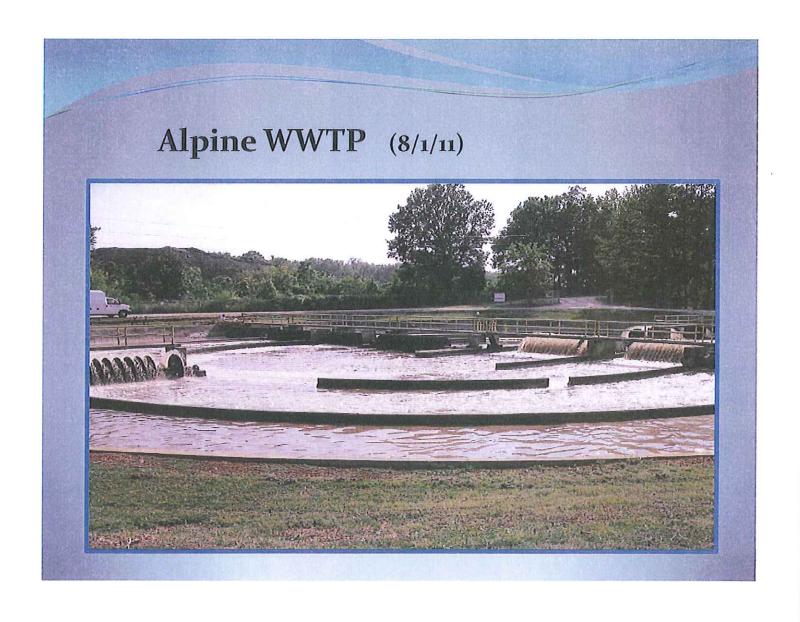
- "Auto Dialer" Alarm/Monitors Installed at Lift Stations and Alpine WWTP (completed 1st week of ownership)
- Alpine WWTP Aeration System: (completed January 2012)
- Collection System (172,000 feet):

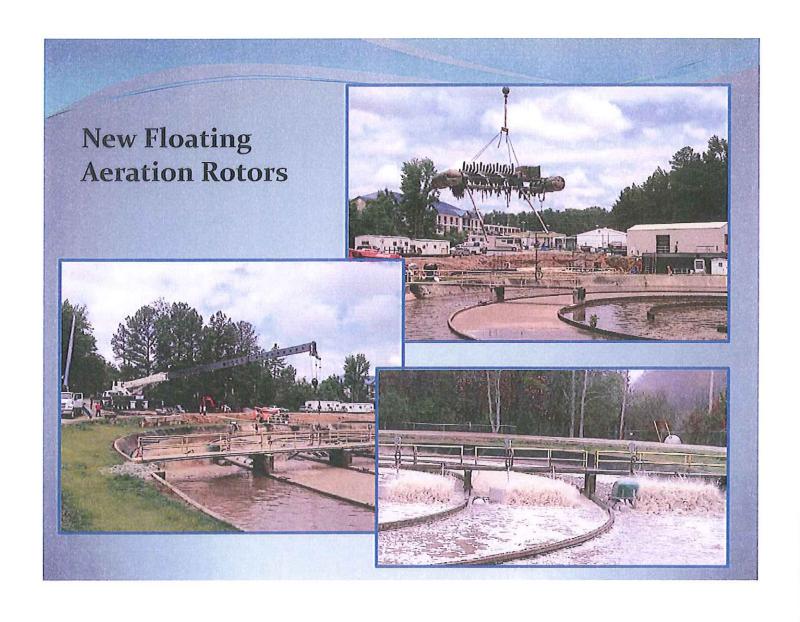
   82,000 feet cleaned
   67,000 feet inspected/videoed
   appx 60,000 feet repaired
- Manholes: All 733 inspected.
   600 require repair/200 completed

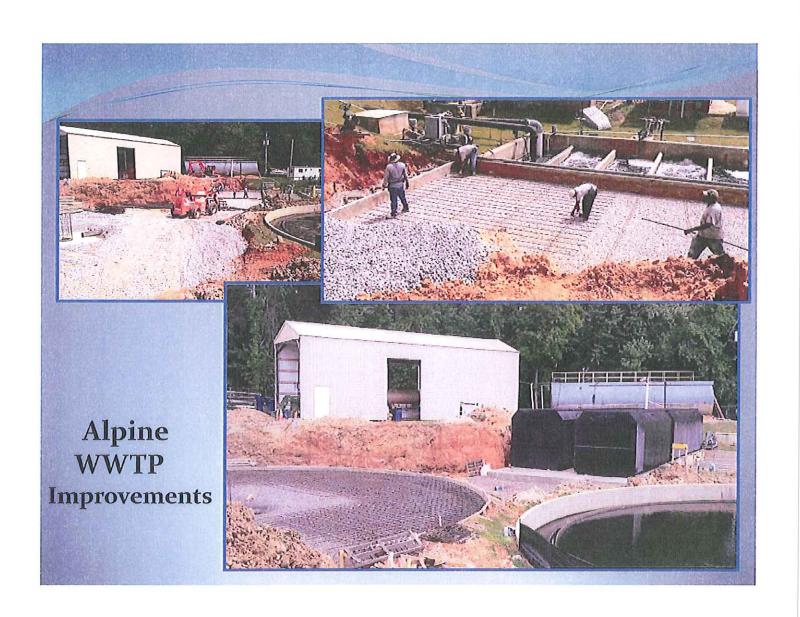
### Capital Cost Since 2008:

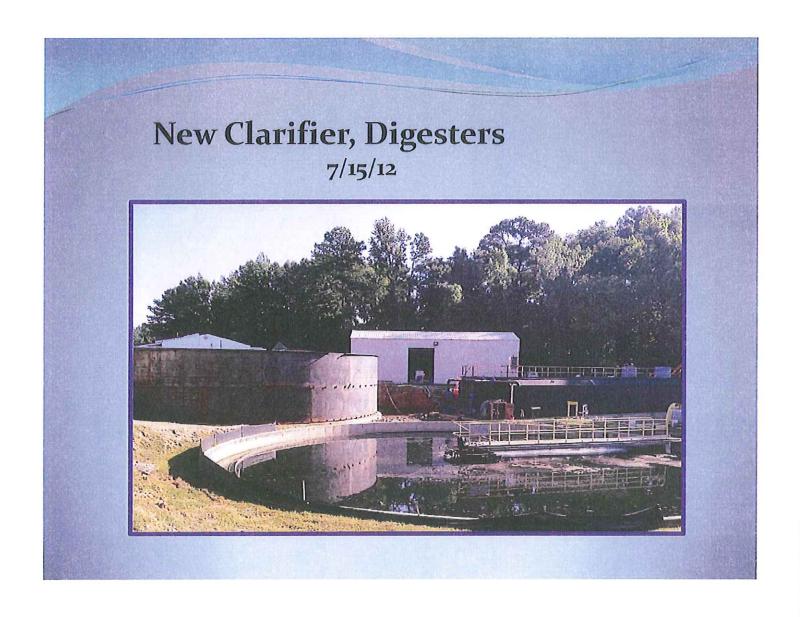
\$391,000 + \$3,300,000 = \$3,300,000

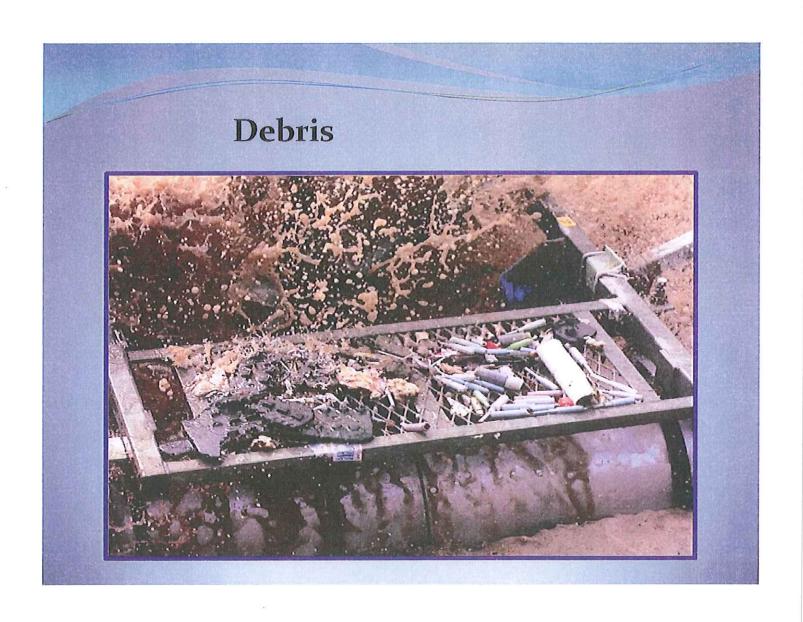




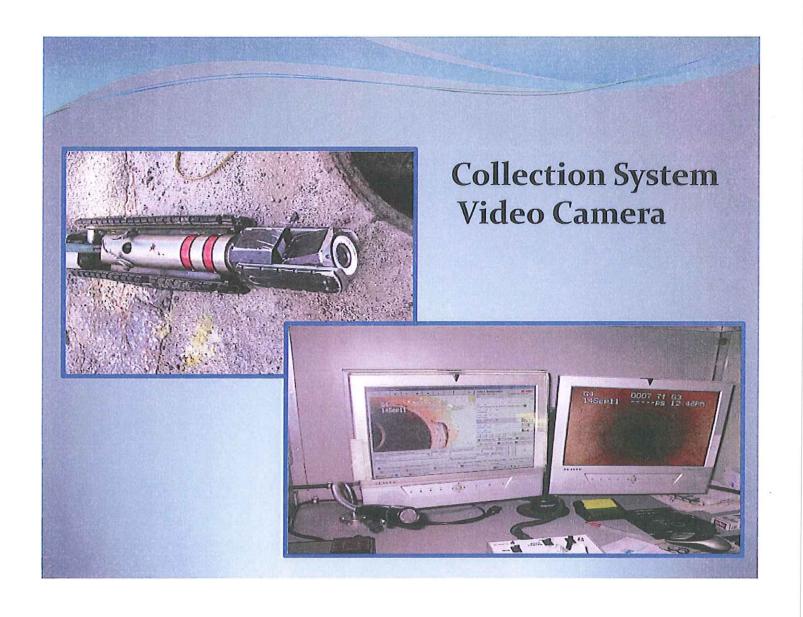


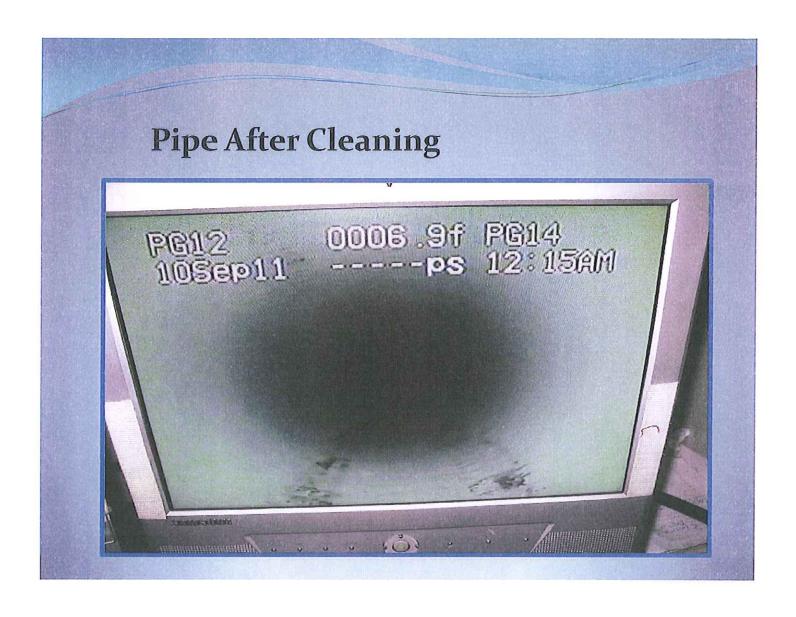


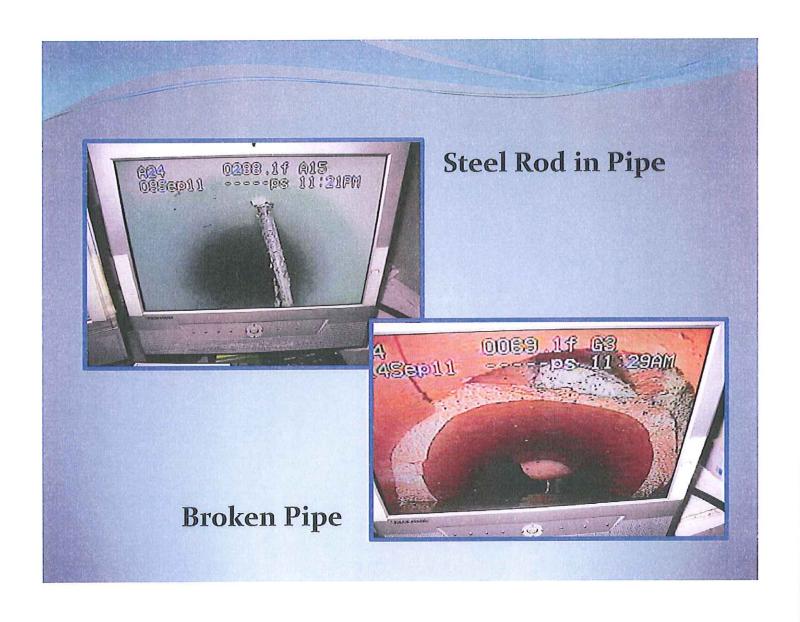


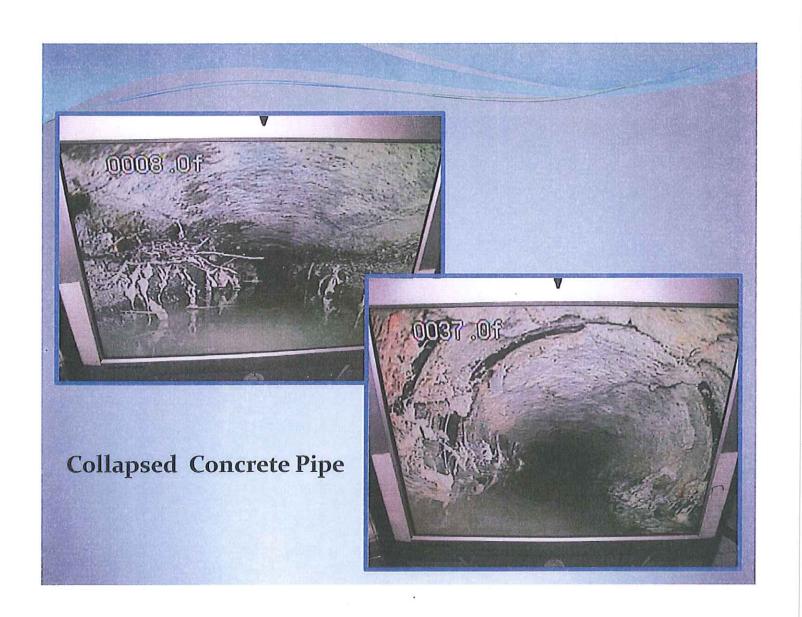


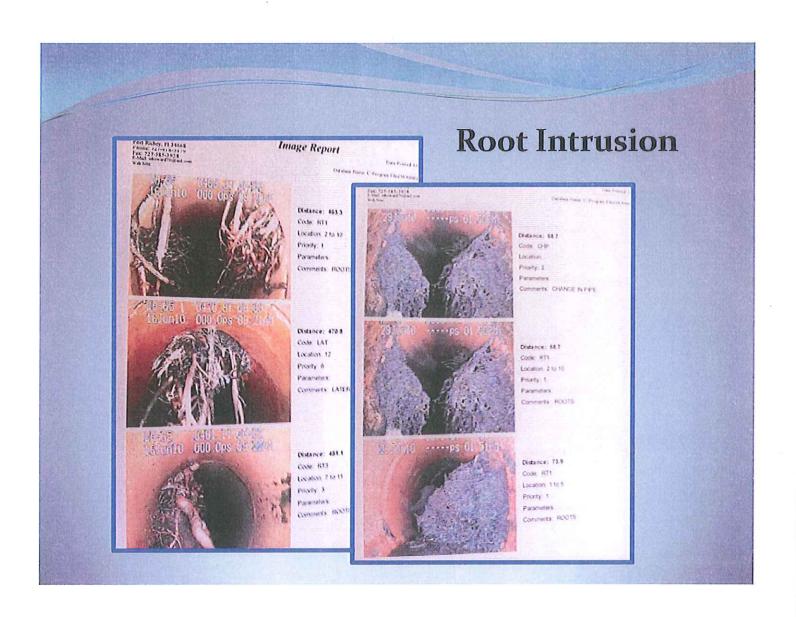


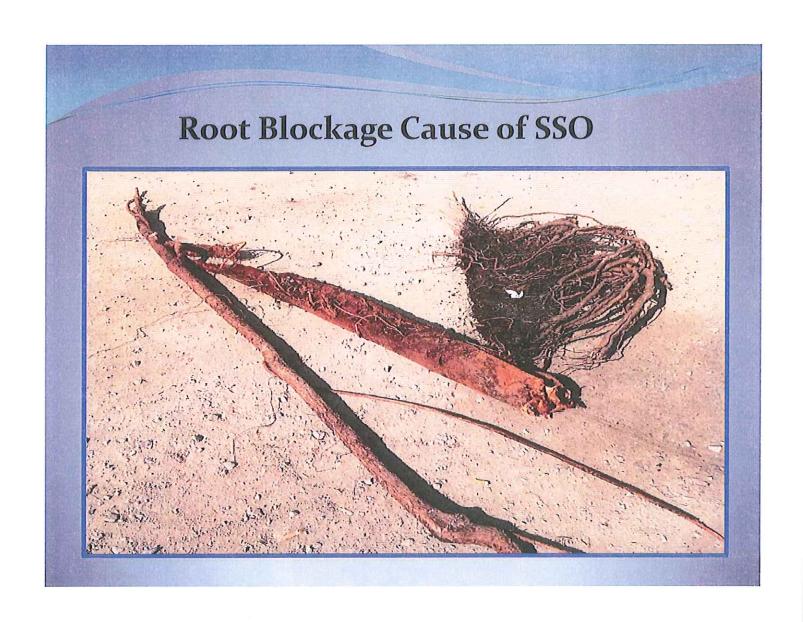


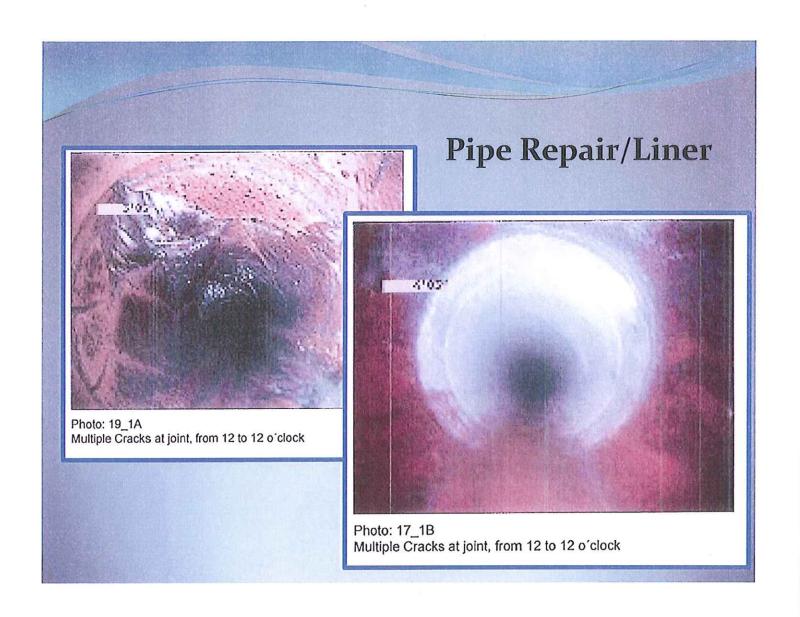


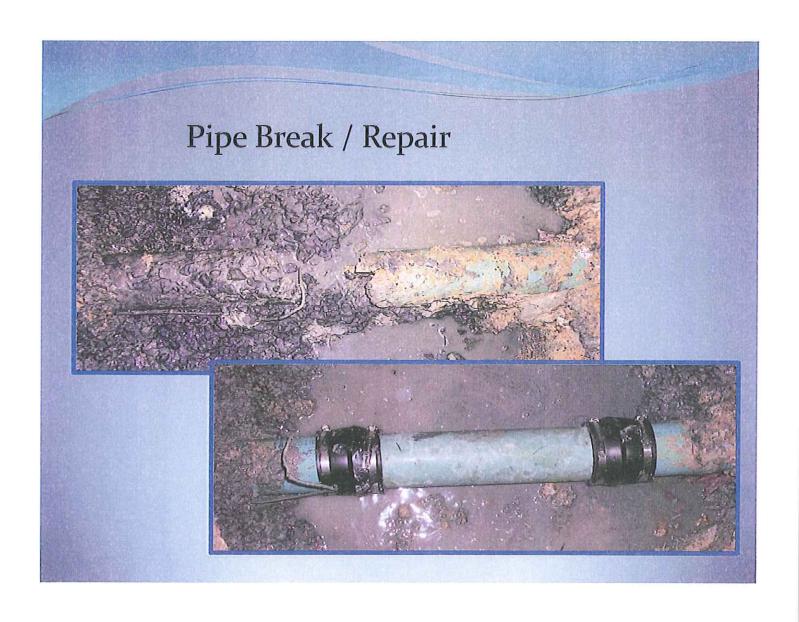








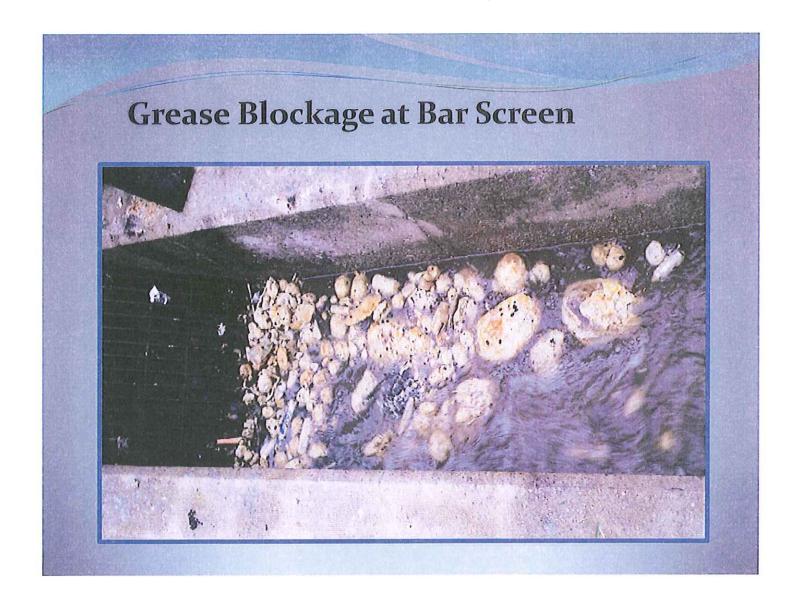


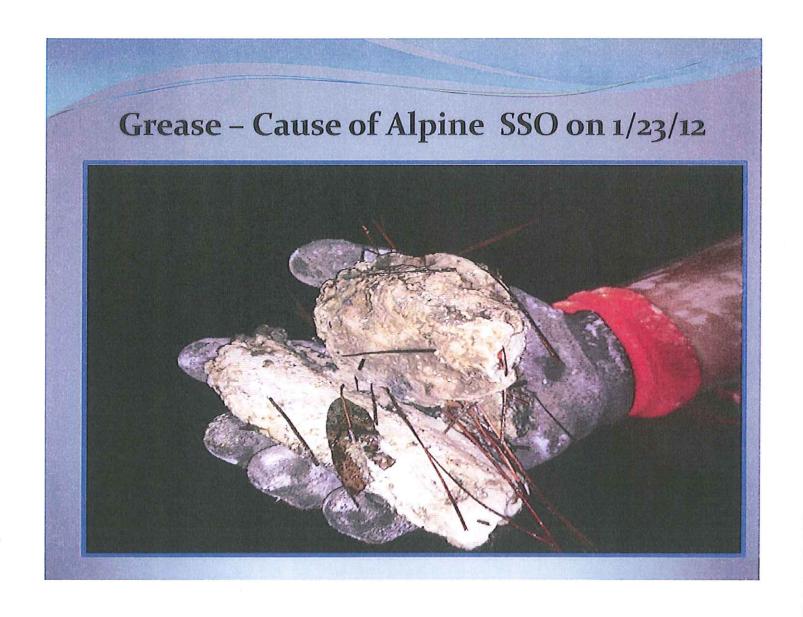


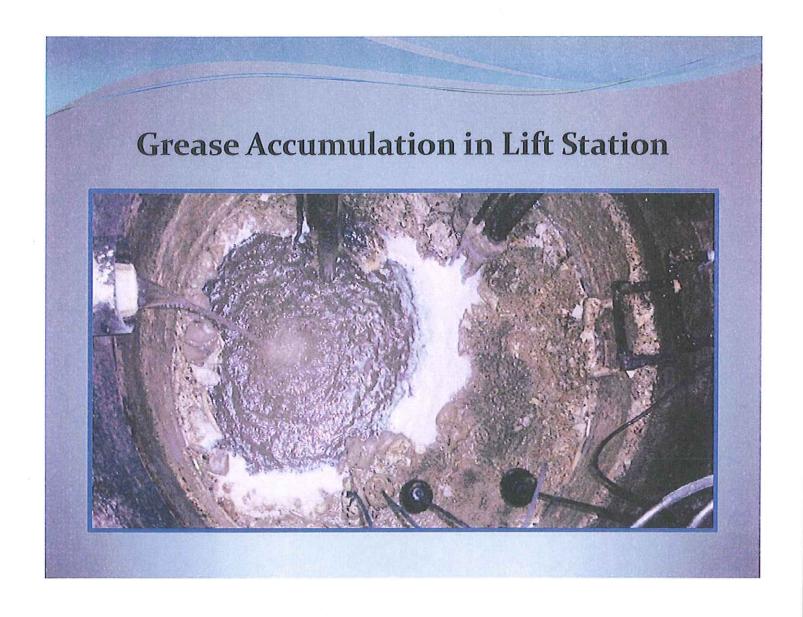
# What is the environmental problem with "FOG" (FATS, OIL, GREASE) in our sewers?

EPA's report to congress on sewer overflows identifies grease from "restaurants, homes and industrial sources" as the most common cause of blockages (47%). Grease is problematic because it solidifies, reduces system capacity and blocks flow\*.

\*EPA's Office of Water -2007

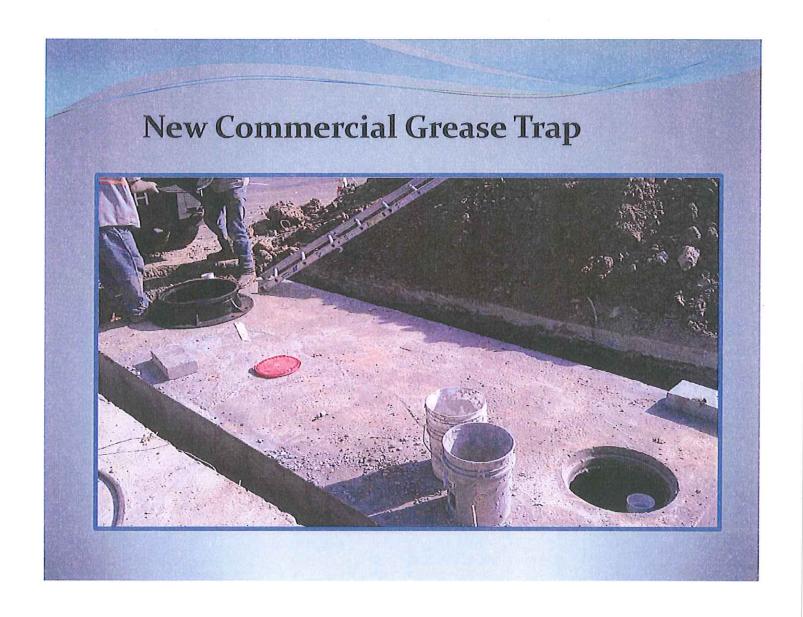


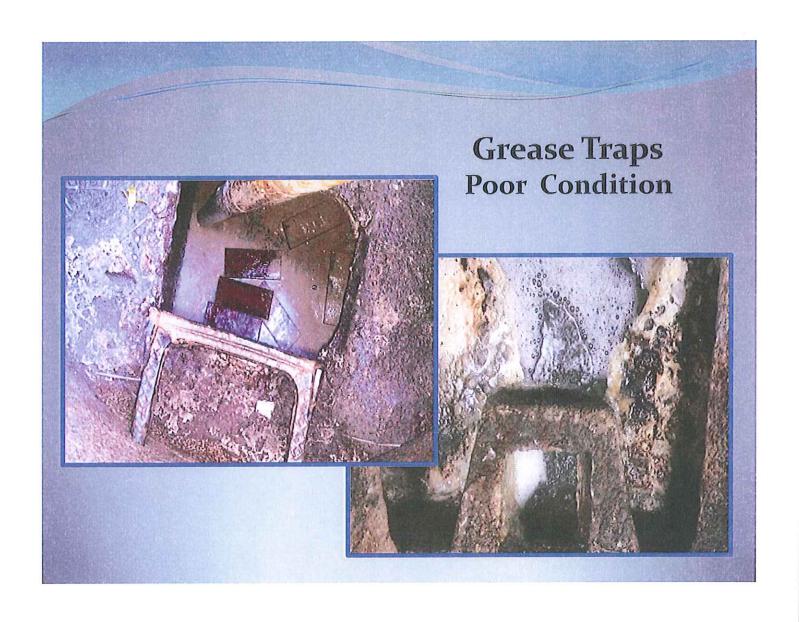




## **Eliminating Grease From the System**

- 1. Residential Customer Awareness ("FOG")
- 2. Commercial Grease Trap Program
  - Grease Trap Standards
  - Inspections
  - Pump outs
  - Compliance or Disconnection





Inflow and Infiltration (I & I) "Introduction of groundwater/stormwater into the sewer system."

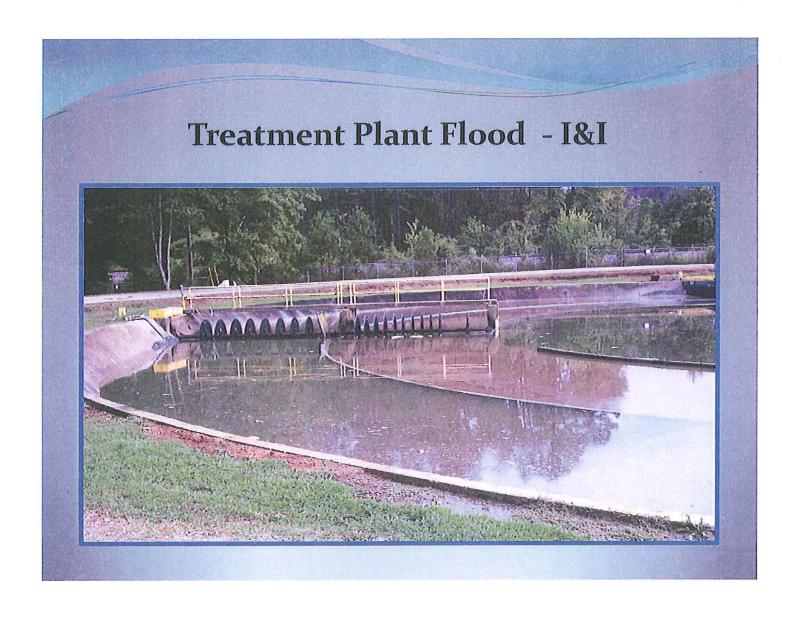
### Sources:

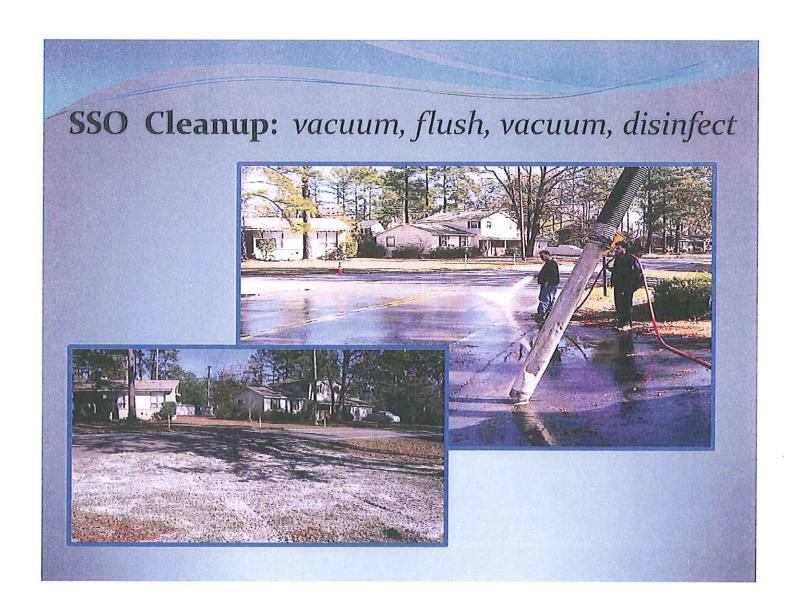
 Cracks, breaks in sewer pipes due to age, root intrusion, etc.

 Improper/illegal connection of storm water drainage to the sewer collection system

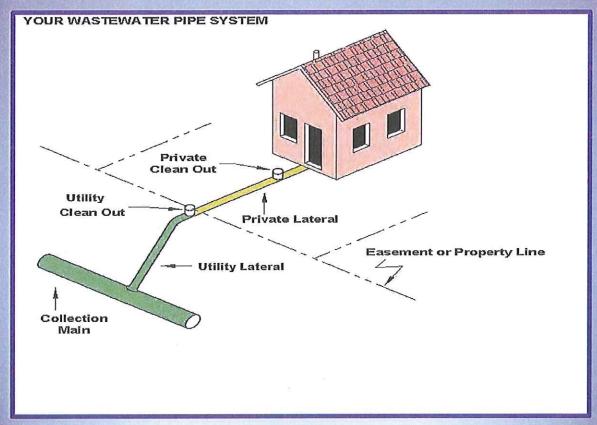
### Result:

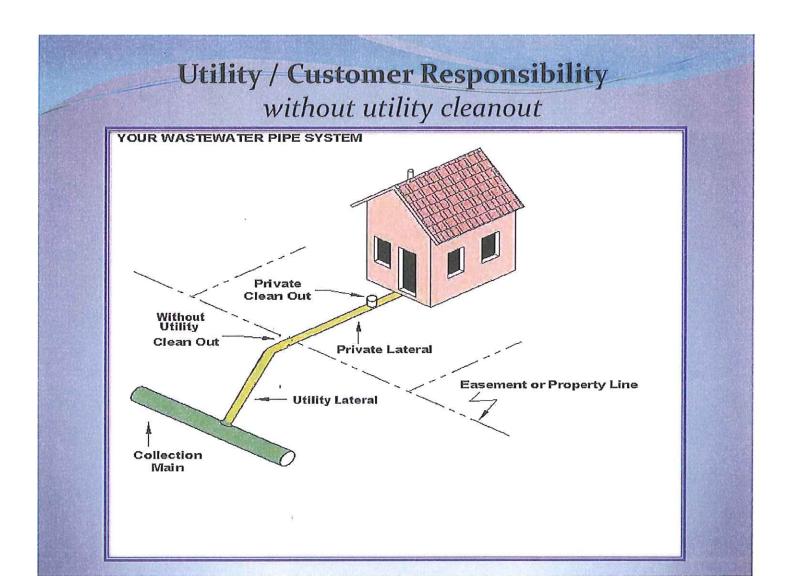
- Overloads the sewer system
- Shortens life of pumps, motors
- System can overflow into the environment
- Sewage can back up into customer residences





# Utility / Customer Responsibility with utility cleanout





# Privately Owned Utilities (Investor Owned Utilities /IOU)

- Must meet all regulatory guidelines
- EPA survey small IOUs have the most violations
- EPA determined the best future for small IOUs is to be purchased by large, responsible utility
- IOU rates must reflect full cost of service
- Rates must also provide a "reasonable rate of return to ensure continued investment/compliance by private owners"

# "US Water Rates Expected To Triple"

### **CNN Money Report**

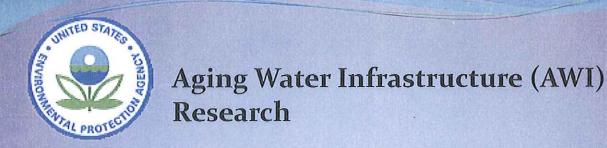
First Published: February 27, 2012: 6:51 PM ET

 "Many consumers could see their water bills double or even triple, as the country attempts to overhaul its aging water system over the next 25 years."

 "A new study by the American Water Works Association found that repairing and expanding the U.S. drinking water system between 2011 and 2035 will cost at least \$1 trillion, an amount that will largely be paid for by increasing household water bills."

• "The \$1 trillion in water infrastructure costs over the next 25 years includes fixing leaky pipes, replacing pipelines and expanding water systems to accommodate growing populations."

http://money.cnn.com/2012/02/27/pf/water bills/index.htm?source=cnn bin



Our nation's water infrastructure needs an upgrade. The drinking water treatment plants and distribution lines, sewer lines, and storage facilities that we rely on for clean and safe water are aging, some to the point of deterioration and even failure.

President Obama has called for water and wastewater infrastructure projects with an investment of \$6 billion.

http://www.epa.gov/awi/basic.html

### The Rate Process

#### WHY RATES INCREASE?

- Additional investment in the utility system (repairs, replacements, improvements)
- Increases in Operations & Maintenance costs
- Continued Reasonable rate of return ensures continued investment/compliance by private utility owners

#### HOW?

- Application is filed with the PSC
- Utility must provide notice to customers
- ORS "represents the public interest" and conducts audit of utility records
- Expenditures must be "Used and Useful", "Reasonable and Necessary"
- Hearing is held where customers are invited to participate
- PSC determines final rates

# **Alpine Proposed Rate Increase**

Current Rate \$16.75 Increase \$17.39 Requested Rate \$34.14

## **Area Wastewater Rates Comparison**

Alpine \$ 16.75 (30.96)

Woodland 24.00

Palmetto Utility 33.00

Average SC IOU 35.00 (range 16.75 – 82.82)

Richland County 46.54
City of Columbia 34.85 (6,000 gal)
(\$10.20 base + \$4.93 usage) 48.16 (8,000 gal)
2250 gal + ea 750 gal 61.14 (10,000 gal)

Lexington County 47.71 (6,000 gal) (\$9.75 base + \$5.41 usage + 5.50 backflow fee) 69.35 (10,000 gal)

Lexington City 53.63 (non-metered flat) 74.70 (metered 8,000 gal)

Average Govt Rate 56.91 (8,000 gal)

### Customer comments in the News

- "Palmetto Utilities just took over our sewer system here in the Seven Oaks area and have done a FANTASTIC job. The previous owners never did any preventative maintenance to the system and Palmetto Utilities came in and cleared all the roots out of the system, did a complete inspections of all the lines, replaced broken lines, and inspected local restaurants to make sure they were using grease traps (grease clogs up the lines), and held a couple of neighborhood meetings and answered all of our questions. Without a doubt Palmetto Utilities is much more responsive, proactive, and more customer service oriented then any utility I've ever dealt with."
- "I've heard of them (Palmetto). I wish they'd buy our system"

Read more here: http://www.thestate.com/2012/08/02/2379514/planned-sewer-sale-affects-many.html#storylink=cpy

# **Important Numbers**

**Palmetto Customer Service** 

803-699-2422

Please Report Sewer Spills Immediately!

Office of Regulatory Staff

803-737-5230

DHEC

803-898-4300

**Public Service Commission** 803-896-5100

#### MEMORANDUM OF UNDERSTANDING BETWEEN PALMETTO WASTEWATER RECLAMATION LLC, AND THE SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL

#### June 27, 2011

WHEREAS the South Carolina Department of Health and Environmental Control ("DHEC") is responsible for reviewing requests for transfers of National Pollutant Discharge Elimination System (NPDES) permits in South Carolina; and

WHEREAS, Palmetto Wastewater Reclamation LLC ("PWR") has applied to DHEC for approval of a transfer of NPDES Permits Numbers SC0029483 and SC0029475, held by Alpine Utilities, Inc. ("Alpine") and Woodland Utilities, Inc. ("Woodland"), respectively; and

WHEREAS, Alpine has experienced a number of sanitary sewer overflows ("SSOs") since the issuance of Permit Number SC0029483, which permit expires on September 30, 2014, which SSOs are a source of concern for both DHEC and PWR; and

WHEREAS, based upon a limited investigation performed in the conduct of its due diligence inspections associated with its February 7, 2011, agreement to acquire the assets of Alpine and Woodlands ("APA"), PWR has formed the belief that the causes of the Alpine SSOs will require significant capital improvements to the wastewater collection system ("WWCS") currently operated by Alpine; and

WHEREAS, PWR is willing to begin undertaking the necessary capital investment in Alpine's WWCS following the receipt of all governmental approvals for a transfer of the assets of Alpine and Woodland, including the NPDES permits, but cannot justify such investment if it will become immediately liable for SSOs subsequent to such transfer and before PWR has had a reasonable period of time within which to make such investment and improve the Alpine WWCS; and

WHEREAS, in July of 2008, a discharge of partially treated wastewater into Stoops Creek occurred at Alpine's wastewater treatment plant ("WWTP") which resulted in a fine being assessed against Alpine by DHEC ("Plant Overflow"); and

WHEREAS, as a result of its limited investigation aforementioned, PWR has formed the belief that the Plant Overflow was attributable in part to an extraordinary rain event which eclipsed the inflow capacity of the Alpine WWTP; and

WHEREAS, PWR is also willing to commit to make capital and operational improvements to the Alpine WWTP in order to improve its inflow capacity; and

WHEREAS, although unrelated to the Alpine WWCS SSOs and WWTP overflow, PWR is further willing to commit to make capital and operational improvements to other aspects of the

wastewater facilities of both Alpine and Woodland in order to improve overall levels of environmental compliance; and

WHEREAS, DHEC believes it to be in the public interest to encourage the transfer of the assets of Alpine and Woodlands to PWR so that, among other things, improvements to the Alpine WWCS and WWTP can be commenced as quickly as possible and thereby improve the likelihood that incidences of SSOs in the Alpine WWCS and overflows from the Alpine WWTP will be reduced; and

**NOW, THEREFORE, PWR and DHEC enter into the following Memorandum of Understanding ("MOU"):** 

- In its limited due diligence investigation of the Alpine and Woodlands facilities, PWR has
  identified a number of areas which will require capital investments and increased
  maintenance and operations expenditures in order to conform to reasonable wastewater
  utility industry standards. These areas, and the time-frames within which PWR will
  undertake the necessary investments and expenditures are described in subparagraphs (a)
  through (d) below.
  - (a) Collection System Lines. Reasonable wastewater utility industry standards contemplate that collection lines will be inspected via camera and cleaned to remove grease, debris and roots that are detected on a periodic basis such that the entire WWCS will be inspected and cleaned over a ten (10) year period. In order to reduce SSOs in the Alpine WWCS, PWR will undertake to camera inspect, clean and repair all lines in the Alpine WWCS over a five (5) year period, with the initial focus and priority being given to work on areas within the Alpine WWCS where SSOs have recently occurred or re-occurred. In addition, PWR will, within the same period, undertake a program of clearing rights of way associated with the Alpine and Woodland WWCSs such that better access to the components of the WWCSs can be had, thus reducing response times to system needs or problems, including SSOs.
  - (b) Manhole Repair. PWR's limited due diligence inspection revealed a number of manholes in both the Alpine and Woodland WWCSs which were collapsing or otherwise in need of repair. PWR will focus on these identified manholes for immediate repair and then repair or refurbish all remaining manholes, if required, in both the Alpine and Woodland WWCSs over a three (3) year period.
  - (c) Alpine Wastewater Treatment Plant. The WWTP operated by Alpine will need a number of improvements in order to ensure continued operation in accordance with the Alpine NPDES permit. These improvements include (i) addition of a second, redundant clarifier, (ii) replacement of the existing bar screen, (iii) addition of a grit collector, (iv) addition of a floating aeration system to allow the WWTP to continue operating during a major rain event, (v) extension of plant walls to increase emergency inflow capacity, and (vi) replacement of the existing chlorination disinfection system with an ultraviolet ("UV") disinfection system and will be completed over an eighteen (18) month period.
  - (d) Woodland Wastewater Treatment Plant. The Woodland WWTP is a lagoon system which will require minimal improvements. However, the berm around the lagoon requires additional maintenance in the way of cleaning and clearing in order to meet

reasonable wastewater utility industry standards and will be completed over an eighteen (18) month period.

- 2. PWR will undertake and complete the investments and expenditures described in subparagraphs (a) through (d) of paragraph 1 within the stated time-frames for each after receipt of all approvals for and closing of the transfer of the Alpine and Woodlands assets to PWR. PWR will submit a progress report to DHEC with respect to each of the investments and expenditures described in sub-paragraphs (a) through (d) of paragraph 1 every six (6) months until the expiration of the applicable time period. The report shall include a detailed description of the work performed, findings, and proposed activities for the next six (6) month period.
- 3. It is understood and agreed that, as long as PWR is proceeding diligently and in good faith with the investments and expenditures in the Alpine WWCS and in the Alpine and Woodlands WWTPs in accordance with the provisions of paragraphs 1 a-c and 2 above, DHEC will use appropriate discretion, including waiving imposition of penalties for any enforcement actions, during the time periods set forth therein, for any SSO or WWTP overflow in the Alpine or Woodlands systems, associated with the pre-existing conditions of the Alpine WWCS or the Alpine or Woodlands WWTPs. Notwithstanding the preceding sentence of this paragraph 3, should there be such an SSO or WWTP that is attributable to PWR's failure to properly operate, repair or maintain the Alpine WWCS or Alpine/Woodland WWTPs unrelated to any such pre-existing condition, DHEC may exercise its enforcement discretion if so determined appropriate.

WHEREFORE, having fully set forth the understanding of the parties hereto, each sets its hand and seal as of the date first written above.

PALMETTO WASTEWATER RESOURCES LLC

SOUTH CAROLINA DEPARTMENT OF HEALTH

AND ENVIRONMENTAL CONTROL

By: Robert W. King, Jr.,

Deputy Commissioner

Environmental Quality Dontrol

]Additional DHEC Signatures Follow]

By: David E. Wilson, Jr., P.E.\_

Its: Bureau Chief

Bureau of Water

June 29, 2011

Bureau of Water

Reviewed by:

SC DHEC Office of General Counsel

## Palmetto Wastewater Reclamation, LLC

# SAND, OIL, AND GREASE INTERCEPTOR STANDARDS

As of August 12, 2011

The following is the policy statement and standards guide (Standard) of Palmetto Wastewater Reclamation, LLC (PWR) for the design and installation of sand, oil, and grease interceptors. This statement contains PWR's interpretation and implementation of its rate schedule and other lawful authority.

#### A. GENERAL

- It is the intent of this Standard to provide for specific standards for grease trap
  location, design, installation, construction, operation and maintenance so as to
  comply with the sewer use and structure. It should be noted that failure to comply
  with the Standard shall be considered a violation of applicable sections of the
  existing sewer use and rate schedule and consequently, subject to denial or
  discontinuance of sewer service.
- 2. The introduction of sand, oil, and grease into PWR's system represents the introduction of a pollutant into the system that has a detrimental impact on system integrity. By properly controlling the introduction of these pollutants through the use of interceptors and traps, the system integrity is maintained and operation and maintenance for these issues are minimized. Without this Standard and customer compliance with this Standard, the likelihood of overflows is increased, operation and maintenance costs are significantly increased, and the system operates less efficiently.
- 3. This Standard may be revised from time-to-time as PWR deems appropriate and in PWR's sole discretion.

#### B. <u>DEFINITIONS</u>

1. Food Service Establishment.

Any commercial facility discharging kitchen or food preparation wastewaters, including but not limited to restaurants, motels, hotels, cafeterias, hospitals, schools, bars, etc., any meat and/or fish processor, and any other facility which, in PWR's opinion, would require a grease trap installation by virtue of its operation. Such definition normally includes any establishment which is required to have a South Carolina Department of Health and Environmental Control (SCDHEC) food service license.

2. Grease Trap/Grease Interceptor.

A grease interceptor is a device which serves to trap and retain within its confines all suspended or semi-solid grease which may have passed through sinks, drains, or other fixtures. The retained grease is then kept from entering the service line which connects the business to the main connector sewer. Ultimately and on a timely basis, the grease must be removed by the owner/operator of the business

and disposed of in a satisfactory fashion. This may be by the owner/operator or by professionals who contract this type of work.

#### 3. Oil Separator.

An oil separator is a device which serves to trap and retain oils or other flammable liquid to prohibit the introduction of same into the sewer system by accident or otherwise.

#### 4. Sand Interceptor.

A sand interceptor is a device which is designed to trap sand and other solids and prohibit its entry into the sewer system.

#### 5. Neutralizing Device.

A neutralizing device is a tank or manufactured device installed to dilute or neutralize acids or corrosive liquids prior to discharge onto collector lines. Such devices shall be automatically provided with a sufficient intake of diluting water or neutralizing medium, so as to make its contents non-injurious before being discharged into the collection system.

#### C. GENERAL REQUIREMENTS

The following administrative, operational, and other general requirements are applicable to all food service establishments, new or existing. Particular requirements for grease trap/interceptor construction, specifically pertaining to both new and existing food service establishments, can be found in Section D of this Standard.

- 1. <u>ALL FOOD SERVICE ESTABLISHMENTS IN THE PWR SERVICE AREA SHALL HAVE GREASE-HANDLING FACILITIES APPROVED BY PWR.</u> Establishments whose grease handling facilities are not in accordance with this Standard shall be given a compliance schedule with a deadline not to exceed eight (8) weeks from initial notification date.
- 2. All food service establishment grease handling facilities/operations shall be subject to periodic review, evaluations, and inspections by PWR representatives at any time. Results of inspections will be made available to facility owners with overall ratings assigned and recommendations for correction/improvement (if necessary) delineated. A PWR REPRESENTATIVE MUST BE PRESENT AT ALL PUMP-OUT OPERATIONS.
- 3. <u>VIOLATIONS OF THIS STANDARD WILL BE CONSIDERED GROUNDS</u>
  FOR DISCONTINUANCE OF SEWER SERVICE. PWR HAS THE RIGHT TO
  TERMINATE A CUSTOMER'S SERVICE WITHOUT NOTICE.

- 4. Food service establishments whose operations cause or allow excessive grease to discharge or accumulate in the sewer collection system are liable to PWR for all costs related to PWR service calls for line blockages, line cleanings, line and pump repairs, property damages, etc. including all labor, materials, equipment, and overhead. Failure to pay all service-related charges may also be grounds for sewer service discontinuance.
- 5. PWR will recommend to the Owner(s) the frequency of the grease removal. It will be the responsibility of the Owner to contract the grease removal provider and ensure that the provider is removing the grease based on the recommended frequency.

Failure to comply with the recommended frequency schedule may be grounds for sewer service discontinuance.

Maintenance contracts and/or records or grease removal frequencies for grease handling facilities may be required to be submitted periodically to ensure routine and adequate system maintenance.

In maintaining the grease interceptors, the Owner(s) shall be responsible for the proper removal and disposal by appropriate means of the captured material and shall maintain on site records of dates, and means of disposal which are subject to review by PWR.

The Owner(s) should ensure that all solids are removed when no more than 75% of the interceptor's capacity is reached.

- 6. Any food service establishment whose effluent is suspected or perceived by PWR to contain a concentration of greater than 100 mg/l of oil and grease may be required to routinely sample their grease trap effluent and have it analyzed for oil and grease at the expense of the Owner and furnish a copy of the analysis to PWR.
- 7. All grease traps/interceptors shall be designed, installed, and located in accordance with this Standard to allow for complete access to inspection, maintenance, etc.
- 8. All grease traps/interceptors must be installed by properly licensed contractors.
- 9. Should a deficiency in the maintenance of the grease trap be noted during an inspection by PWR, a citation for correction will be given to the facility. The facility must correct the deficiency within five (5) calendar days following that date.

#### D. CONSTRUCTION STANDARDS

#### 1. New Facilities

- a. All newly constructed (or newly located) food service establishments shall be required to install a grease interceptor, approved by PWR. Grease interceptors shall be sized at 20 gallons per food service seat with no interceptor less than 1,000 gallons total capacity.
- b. New facilities must have a are required to complete an initial grease trap application to install a grease trap and submit such application with plans, specifications, plumbing diagrams, riser diagrams, etc. to PWR for review.
- c. All grease trap/interceptor plans and specifications must be reviewed and approved by PWR prior to installation. An approval letter for each new trap will be issued by PWR prior to construction and/or installation.
- d. The construction and location criteria for grease interceptors must be in accordance with the Environmental Protection Agency (EPA) Guidance Document, "On-site Wastewater Treatment and Disposal Systems," Chapter 8.
- e. All grease interceptors, whether singular or in series, must be directly accessible from the surface and must be fitted with an extended inlet sanitary tee that terminates 12" above the tank floor. The minimum access opening dimensions shall be 18" by 18" or a minimum of 24" in diameter. Two (2) access openings (inlet and outlet chambers) to underground traps are required and should be removable with ease by one person and accessible from the surface. All grease interceptors must have an elder valve. A typical grease trap is provided in detail as Appendix A to this Standard.
- f. Maintenance of grease traps/interceptors must include thorough pump-out and/or cleaning as needed, with a minimum frequency of six (6) times per year per Section C, Paragraph 5 of this Standard. Maintenance contracts may be required to be submitted to PWR as called for in Section C, Paragraph 5. The Owner, however, is ultimately responsible for proper maintenance of the grease trap facility(ies).
- g. No new food service facility will be allowed to initiate operations until grease handling facilities are installed and approved by PWR.
- h. For cases in which underground type grease interceptors are not feasible to install, new food service establishments will be required to install adequate and approved "under-the-counter" grease traps for use on

individual fixtures, including pot sinks, mop sinks, pre-rinse sinks, wok ovens, floor drains, and other potentially grease containing drains. In such cases, units will be considered acceptable only if approved flow control fittings are provided to the grease interceptor inlet to prevent overloading of the grease trap and to allow for proper interceptor operation.

#### 2. Existing Facilities

- a. All existing food service establishments (or renovated or expanded establishments) must have grease handling facilities approved by PWR. Failure to comply with this Standard will be considered a violation of the rate schedule and will subject the establishment to sewer service discontinuance.
- b. For cases in which "outdoor" units are feasible to install, construction requirements will be as specified in Section D Paragraph 1 of this Standard, i/e/ New Facilities.
- c. Sizing of "under-the-counter" grease trap units will be in accordance with (EPA) recommended ratings for commercial grease traps. The grease traps retention capacity rating in pounds shall be at lease two (2) times the gpm flow rate of the type fixture which it serves.
- d. Location of "under-the-counter" units must be as close to the source of the wastewater as physically possible, while remaining accessible for maintenance.
- e. Wastewater from dishwashers and garbage grinders should not be discharged to grease traps/interceptors, unless approved by PWR.
- f. In the maintaining of existing grease traps/interceptors, the Owner(s) shall be responsible for the proper removal and disposal by appropriate means of the captured material and shall maintain records of the dates and means of disposal which are subject by PWR, per Section C, Paragraph 5 of this Standard.
- g. In the event of an existing food service establishment's grease handling facilities are either under-designed, substandard, or poorly operated, the Owner(s) will be notified in writing, of the required improvements and given a compliance deadline not to exceed eight (8) weeks to conform with the requirements of this Grease Standard. This does not include general grease removal violations referred to in Section C, Paragraph 9 of this Standard.
- h. Any use of enzymes or other grease solvents, emulsifiers, etc. in lieu of physical cleaning is not considered acceptable grease trap maintenance

practice. Any use of the above must be approved by PWR before introduction into the system.

- 3. New Food Service Establishments in Existing Buildings
  - a. Where practical, new food service establishments locating in existing buildings will be required to comply with the Grease Trap Standards applicable to new facilities, i.e., outdoor grease traps units (minimum size 1,000 gallons) shall be installed.
  - b. Where physically impossible to install "outdoor" units, "under-the-counter" units may be allowed as with existing food service establishments provided prior approval of unit type, size, location, etc. is approved by PWR. Flow control fittings and/or automatically cleaned units will be required in all cases. Maintenance contracts and/or clean-out records will also be required.

#### E. SAND, OIL AND GREASE INTERCEPTOR

- 1. Provide precast concrete vault.
  - a. 4000 psi concrete.
  - 2. Other construction and/or prefabricated materials may be considered by PWR. Shop drawing submittal and approval by the District shall precede any construction or installation.

#### F. LOCATING

1. Easily accessible for cleaning and solids removal.

#### G. MANHOLE FRAMES AND COVERS

- 1. Provide grey iron castings, ASTM A48, Class 30 iron.
- 2. Machine all bearing surfaces.
- 3. Coat frames and covers with two shop coats of bitumastic paint.
- 4. Provide watertight covers, where indicated, conforming to above requirements and with frame tapped for four bolts, countersunk in cover.
  - a. Provide rubber gasket between frame and cover.

#### H. ENFORCEMENT

- 1. Enforcement of this Standard shall be in accordance with the provisions of PWR rate schedule and applicable law. FAILURE TO COMPLY WITH THIS STANDARD MAY BE GROUNDS FOR DISCONTINUANCE OF SEWER SERVICE WITHOUT NOTICE. ADDITIONALLY, FAILURE TO COMPLY MAY RESULT IN NOTIFICATION TO THE COUNTY HEALTH DEPARTMENT FOR REQUEST OF ENFORCEMENT ACTION WHICH MAY LEAD TO REVOCATION OF FOOD SERVICE PERMITS.
- 2. For new food service establishments, PWR may elect to request from appropriate building official that certificates of occupancy be withheld until compliance with PWR's requirements, including grease trap compliance is fully met.

### Appendix A

Example of a grease trap design



#### Palmetto Wastewater Reclamation, LLC

August 12, 2011

[Company Name]
[Address]
[Address]

Subject:

Grease trap requirements of Palmetto Wastewater Reclamation, LLC

Dear [COMPANY]:

Please be advised that Palmetto Wastewater Reclamation, LLC ("PWR"), which owns and operates the [ALPINE/WOODLAND] wastewater system serving your business, requires access to your premises to inspect the wastewater facilities and determine compliance with Public Service Commission ("PSC") Regulation 103-535.B. This regulation requires that use of these facilities not adversely affect service to our other customers; to prevent such an adverse affect, a properly installed and maintained grease trap is required for commercial establishments such as yours. Under PSC Regulation 103-537.A, PWR has the right of access to your premises, at reasonable hours, for this purpose.

PWR is <u>not</u> required to accept into its system any pollutants that have not been treated to the applicable pretreatment standards. The introduction of sand, oil, or grease into PWR's system represents the introduction of a pollutant that has a detrimental impact on system integrity and can lead to blockages that cause sanitary sewer overflows and sewer back-ups into customer premises. These pollutants can have a significant deteriorating effect on the system's overall performance, which harms all customers. Thus, PWR may require certain steps and procedures to protect the integrity of the system. A copy of PWR's Sand, Oil and Grease Interceptor Standards is enclosed for your reference.

By properly controlling the introduction of these pollutants through the use of interceptors and traps, system integrity is maintained and costs associated with operation and maintenance are minimized. Without customer compliance with these standards, the likelihood of overflows and back-ups is increased, operation and maintenance costs that must be passed on to customers are significantly increased, and the system operates less efficiently.

To maintain the viability of the system and ensure that it is operating efficiently, PWR must periodically inspect grease traps installed to make certain that those grease traps are being properly maintained.

Grease traps are required for any commercial facility discharging kitchen or food preparation wastewaters, including but not limited to, restaurants, motels, hotels, cafeterias, hospitals, schools, bars, etc., any meat and/or fish processor, and any other facility which requires a grease trap installation by virtue of the nature of its operation. These facilities will normally include any establishment required to have a SCDHEC food service license. Establishments whose grease handling facilities are not in accordance with this requirement shall be given a compliance schedule with a deadline not to exceed eight (8) weeks from initial notification date.

Additionally, on a timely basis, grease must be removed from the facilities of the served premises. Maintenance contracts and/or records of grease removal frequencies may be required to be submitted periodically to ensure routine and adequate system maintenance. In conjunction with this, PWR shall require the owner/operator to provide certification that the removal of grease ultimately complied with SCDHEC requirements.

## FAILURE TO PERMIT AN INSPECTION OR TO COMPLY WITH THESE STANDARDS WILL BE CONSIDERED GROUNDS FOR DISCONTINUANCE OF SEWER SERVICE.

PWR appreciates your cooperation and assistance in protecting the integrity of the wastewater system and the service PWR provides to its customers. If you have any questions, please do not hesitate to contact me at 803-699-2422.

Sincerely,

Craig Sherwood Palmetto Wastewater Reclamation, LLC

cc: Sonja Johnson, SCDHEC ORS